

**UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

Judge Beckwith
Magistrate Judge Hogan

vs.

Case No. C-1-01-486

CINCINNATI REDS, a limited partnership,

Defendant.

JOINT STATUS REPORT

Plaintiff United States of America and defendant Cincinnati Reds, by their undersigned attorneys, make this joint status report pursuant to this Court's Order dated November 26, 2001.

The parties described the status of settlement negotiations in their Joint Motion to Stay Proceedings Pending Settlement, filed November 20, 2001, and in their monthly Joint Status Reports thereafter. The contemplated settlement would resolve this case and numerous cases in other venues (all of which are effectively stayed) and many administrative claims that are either pending before the Internal Revenue Service or that are likely to be filed with the IRS in the future.

Negotiators for all Major League Baseball Clubs, the United States Department of Justice and the Internal Revenue Service have prepared a draft settlement document that contains more than 20 pages of single-spaced text, with a few hundred pages of attachments. The negotiators are in agreement as to all but a few minor matters and one more significant issue. Negotiators for the Clubs sent their latest suggestions for resolving all differences to the

Government on December 1, 2003. Those revisions will be reviewed by the Government's negotiators. Nevertheless, the magnitude of the settlement, the number of issues that must be resolved in the settlement agreement and the Government's protocol for reviewing settlement offers in large tax cases explain why more time is needed to finish the task.

The parties continue to believe that proceeding with this litigation would not be a judicious use of the Court's or the parties' resources. They therefore jointly ask the Court to make no change in the November 26, 2001 Order staying proceedings.

Dated: December 4, 2003

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UNITED STATES OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of December, 2003, I caused a copy of the foregoing document to be sent to Alejandro L. Bertoldo, Trial Attorney, Tax Division, U.S. Department of Justice, P.O. Box 55, Ben Franklin Station, Washington, D.C. 20044 by electronic mail.

/s/ R. Joseph Parker
R. Joseph Parker